

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of	)	
	)	CC Docket No. 80-286
Jurisdictional Separations Reform and	)	
Referral to the Federal-State Joint Board	)	

**COMMENTS OF SPRINT CORPORATION**

Sprint Corporation ("Sprint"), on behalf of its local and long distance divisions, submits its Comments to the proposal by the Common Carrier Bureau (the "Bureau") to streamline the ARMIS 43-04 (Jurisdictional Separations) Report.<sup>1</sup> The proposed ARMIS 43-04 Report, attached to the Public Notice, contains seven pages in comparison to the 63 pages contained in the 2000 ARMIS 43-04 Report.

In these comments, Sprint maintains that mid-sized carriers should be relieved of the requirement to file the ARMIS 43-04 Report. Further, because of the freeze,<sup>2</sup> there is no need for the next five years to file even the seven proposed pages. However, if the Bureau and Commission decide to require the streamlined 43-04, certain changes should be made to clarify the terminology used in the report.

While Sprint welcomes the Bureau's efforts to reduce the ARMIS 43-04 Report to 1/9<sup>th</sup> of its original length, Sprint maintains that the Commission should implement its own proposal to eliminate ARMIS Report 43-04 for mid-sized carriers. In the recent comprehensive review of ARMIS reporting requirements, the Commission noted that "staff

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<sup>1</sup> See Public Notice, DA 01-1496, released June 22, 2001.

<sup>2</sup> *In the Matter of Jurisdictional Separations Reform and Referral to the Federal-State Joint Board*, CC Docket No. 80-286, Report and Order, FCC 01-162 (rel. May 22, 2001) ("*Separations Freeze Order*").

analysis and usage of the data provided in ARMIS tables had mostly been limited to the largest incumbent LECs because they have the greatest opportunities and incentives for shifting costs between services."<sup>3</sup> The Commission proposed eliminating all financial reporting for mid-sized carriers except the 43-01 Summary Report.<sup>4</sup> Based on the Commission's belief that summary reporting is adequate for mid-sized carriers, there is no need for these carriers to file an ARMIS 43-04 Report, in either the full or streamlined version.

Requiring ILECs to file the streamlined 43-04 will not provide any information necessary for, or helpful to, the Commission to either evaluate the freeze or consider further separations reform. In the *Separations Freeze Order*, the Commission implemented a five-year freeze of jurisdictional cost allocation factors for all ILECs, and of Part 36 category relationships for price-cap carriers. Rate-of-return carriers may exercise an option to also freeze their Part 36 category relationships. During the five-year freeze period, the Commission indicated that it wished to continue to receive sufficient separation information to "evaluate the freeze and consider further separations reform."<sup>5</sup> Since both category relationships and cost allocation factors are frozen for price cap ILECs and any rate-of-return carriers who exercise their option, a 43-04 report will not be instructive during the freeze period. If the Commission nevertheless wishes to produce a 43-04 Report, the only information necessary is the top line revenue figures that are already provided in the 43-03 Report and summarized in 43-01. For example, carriers who are required to file ARMIS 43-

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<sup>3</sup> *In the Matter of 2000 Biennial Regulatory Review, Comprehensive Review of the Accounting Requirements and ARMIS Reporting Requirements for Incumbent Local Exchange Carriers: Phase 2 and Phase 3*, CC Docket No. 00-199, Notice of Proposed Rulemaking, FCC 00-364 (rel. October 18, 2000) at ¶80.

<sup>4</sup> *Id.*

<sup>5</sup> *Separations Freeze Order* at ¶46.

03 Reports for 2001 will do so in April 2002. The Commission can then use the cost and revenue figures from the 43-03 Reports and the frozen factors as represented in the April 2001 ARMIS 43-04 Reports to derive the 43-04 Reports for 2001. This exercise makes more sense than burdening mid-sized carriers and the Commission with processing and handling numerous, unneeded annual reports.

Further, if the Commission seeks to continue to track the interstate earnings of the price cap ILECs, the Commission already has this information in the Rate of Return Report, FCC 492. Thus, to truly streamline carrier reporting, the Commission should eliminate the 43-04 Report. If the Commission wishes to gather relevant information as the end of the freeze approaches in 2006, the Commission can request information necessary to evaluate the freeze at that time.

If the Commission nevertheless intends to require ILECs to file the streamlined 43-04 Report, Sprint provides comments in Attachment A to clarify the terms contained in certain rows in the Report. Sprint applauds the Bureau's reduction of the number of columns in the streamlined 43-04 Report. Sprint encourages the Bureau to also streamline the ARMIS 43-01 Summary Report, and particularly to similarly reduce the columns in that report.

In addition to the language changes provided in Attachment A, Sprint also recommends that Rows 9001 and 9010 be deleted from the 43-04 Report. Row 9001 (Common Line - Long Term Support) is duplicative of data reported on Row 1970 of ARMIS 43-01, also titled Common Line Long Term Support. Both of these rows should be eliminated from their respective reports, as the information represented serves no regulatory purpose. There is no point to segregating the Long Term Support portion of a carrier's total USF contribution. First, no other portion of the universal service contribution is separately

identified. Second, the amount input in these rows is created simply by multiplying certain revenues times a factor supplied by the Commission.<sup>6</sup> Likewise, Row 9010 (# Total Billable access Lines) is duplicative of data reported on Row 2150 of ARMIS 43-01, also named Total Billable Access Lines. One of these rows should be eliminated. In this case, it is preferable to eliminate the duplicate row in the 43-04 Report, since that report is being streamlined and possibly eliminated.

In summary, the Commission should relieve mid-sized ILECs from the duty to file an ARMIS 43-04 Report. Further, due to the freeze of both category relationships and cost allocation factors, even a streamlined 43-04 Report is not necessary. The Commission can obtain all the information it needs from information already provided by the carriers. However, if the Commission decides to require ILECs to file the streamlined 43-04 Report, it should make both the deletions and language changes suggested herein to clarify the category descriptions.

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<sup>6</sup> See *In the Matter of Revision of ARMIS Annual Summary Report* (FCC Report 43-01), *ARMIS USOA Report* (FCC Report 43-02), *ARMIS Joint Cost Report* (FCC Report 43-03), *ARMIS Access Report* (FCC Report 43-04), *ARMIS Service Quality Report* (FCC Report 43-05), *ARMIS Customer Satisfaction Report* (FCC Report 43-06), *ARMIS Infrastructure Report* (FCC Report 43-07), *ARMIS Operating Data Report* (FCC Report 43-08), *ARMIS Forecast of Investment Usage Report* (FCC Report 495A), and *ARMIS Actual Usage of Investment Report* (FCC Report 495B) for Certain Class A and Tier 1 Telephone Companies, AAD 95-91; CC Docket No. 86-182, Order, 15 FCC Rcd 24107 (2000).

Respectfully submitted,

SPRINT CORPORATION

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## ATTACHMENT A

ROW	CHANGE TO BE MADE	REVISED LANGUAGE
1001	Add "Basis" after Allocation	General Support Facilities- Big 3 Expenses- Allocation Basis
1002	Add "Allocation Basis" at end.	General Support Investment Class B Cos.-Allocation Basis
1201	Add "Directly Assigned Message" at end.	Category 2 Tandem switching Equipment- Directly Assigned Message
1213	Delete this row. It seems duplicative to keep both 1213 and 1216. Only Row 1216, Dial Equipment Minutes, is needed.	
1230	Add "PL" at end.	Category 4.12 COE Exchange Trunk Circuit (NON-WDBD.) PL
1277	Add "Basic" at end.	Total Category 4.13 COE Exchange Circuit Equipment-Basic
1323	Remove "Factor" (unless definition has been changed). Current report shows MOU Km (units).	# Conversation Minutes Kilometers
1324	Add "(WDBD)."	Total Category 4.22 COE IX Circuit Equipment-(WDBD)
1336	Change WDBD to "Basic PL."	Category 4.23 COE IX Circuit Equipment (Basic PL)
1339	Remove "Factor" (unless definition is changed).	# Conversation-minutes
1393	Remove "Factor" (unless definition is changed).	# Minutes of Use Kilometers
1454	Add "Directly Assigned"	Category 1 C&WF-Exchange Line-Directly Assigned
1480	Add "PL"	Category 2 C&WF Wideband Exch. Trunk- Direct PL
1485	Change "#" to "Total"	Total Category 2 C&WF Exchange Trunk
1497	Remove "Private Line"	Category 3 C&WF IX- Message

1498	Remove "Private Line"	Category 3 C&WF IX-Joint Message
6998	Add "Directly Assigned"	Marketing Expenses-Directly Assigned
8002	Add "Directly Assigned"	Operating Taxes-Other State and Local-Directly Assigned